

Message Text

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ORIGIN XMB-04

INFO OCT-01 ISO-00 AF-06 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 OMB-01 /046 R

66608

DRAFTED BY: XMB: SLPEARSON:TAS

APPROVED BY: EB/OCA/CM: EMCKEON

XMB: EBYOUND

AF/E: ESHIPPY

EB/IFD/ODF: RASWART

XMB: WWGLICK

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R 111633Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY NAIROBI

LIMITED OFFICIAL USE STATE 163378

E.O. 11652: N/A

TAGS: EFIN, BEXP, KE

SUBJECT: FINANCING FOR RAILROAD EQUIPMENT

REF: (A) NAIROBI 4948

(B) STATE 145165

(C) NAIROBI 5664

(D) NAIROBI 5668

1. DIFFICULT RO RESPOND TO REF C WITHOUT PRECISE APPLICATION.
EXIM TERMS FOR \$10 MILLION PURCHASE PRIMARILY ROLLING STOCK ABOUT
SEVEN YEARS BEGINNING SIX MONTHS AFTER DELIVERY. FOR LARGE PURCHASE
OF LOCOMOTIVES TERM MIGHT EXTEND TEN YEARS BEGINNING SIX MONTHS
AFTER DELIVERY. INTEREST RATE LIKELY EIGHT PERCENT ON EXIMBANK
DIRECT CREDIT. RATE ON COMMERCIAL BANK PARTICIPATION SET BY
COMMERCIAL BANK. EXIM LOAN WOULD PROBABLY COVER 40 OR 45
PERCENT OF U.S. COSTS, DEPENDING ON NEED FOR EXIM GUARANTEE OF
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PRIVATE FINANCING. EXIM MIGHT BE WILLING GUARANTEE PART OF
PRIVATE FINANCING BUT IN TURN WOULD REDUCE AMOUNT OF ITS DIRECT

CREDIT.

2. IN VIEW OF SIZE OF TOTAL PROJECT, EVEN IF EXIM REQUESTED TO
FINANCE ONLY PART, BANK WOULD HAVE TO GIVE REQUEST FOR FINANCING
CAREFUL CONSIDERATION. BANK CONCERNED ABOUT KENYA'S DIFFICULT
ECONOMIC SITUATION AND NEED TO DIRECT RESOURCES TOWARD PRODUCTIVE
INVESTMENTS. BANK ALREADY HAS OUTSTANDING PRELIMINARY COMMITMENT FOR
KENYA PIPELINE CO. WHICH COULD ADD \$9 MILLION NEW EXPOSURE.
BANK PROCEEDING CAUTIOUSLY WITH ADDITIONAL REQUESTS.

INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EQUIPMENT, FINANCE, RAILROADS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: XMB: SLPEARSON:TAS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750241-0722
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750763/aaaacekr.tel
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Office: ORIGIN XMB
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Margaret P. Grafeld
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06 JUL 2006

Review Media Identifier:
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Subject: FINANCING FOR RAILROAD EQUIPMENT
TAGS: EFIN, BEXP, KE
To: NAIROBI
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